

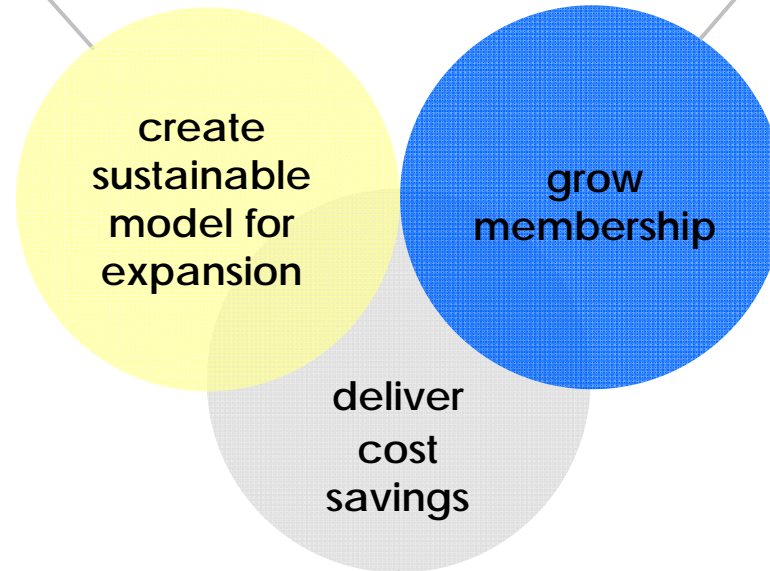
chw/hill sacramento pilot update  
CalPERS Health Benefits Committee  
march 15, 2011

## pilot principles

- leverage efficiencies of an **integrated care** model while maintaining network choice
- re-align the incentives to promote **cooperation, efficiency and integration**
- develop **aggressive cost savings** initiatives to take cost out of the delivery of care vs shifting cost within the system
- optimize **quality outcomes** and efficient use of resource consumption
- provide members with **empowering information** to improve their health status and use healthcare resources wisely

## pilot goals

drive continuous improvement (cost, quality of care, service); allows for expansion to other geographic areas

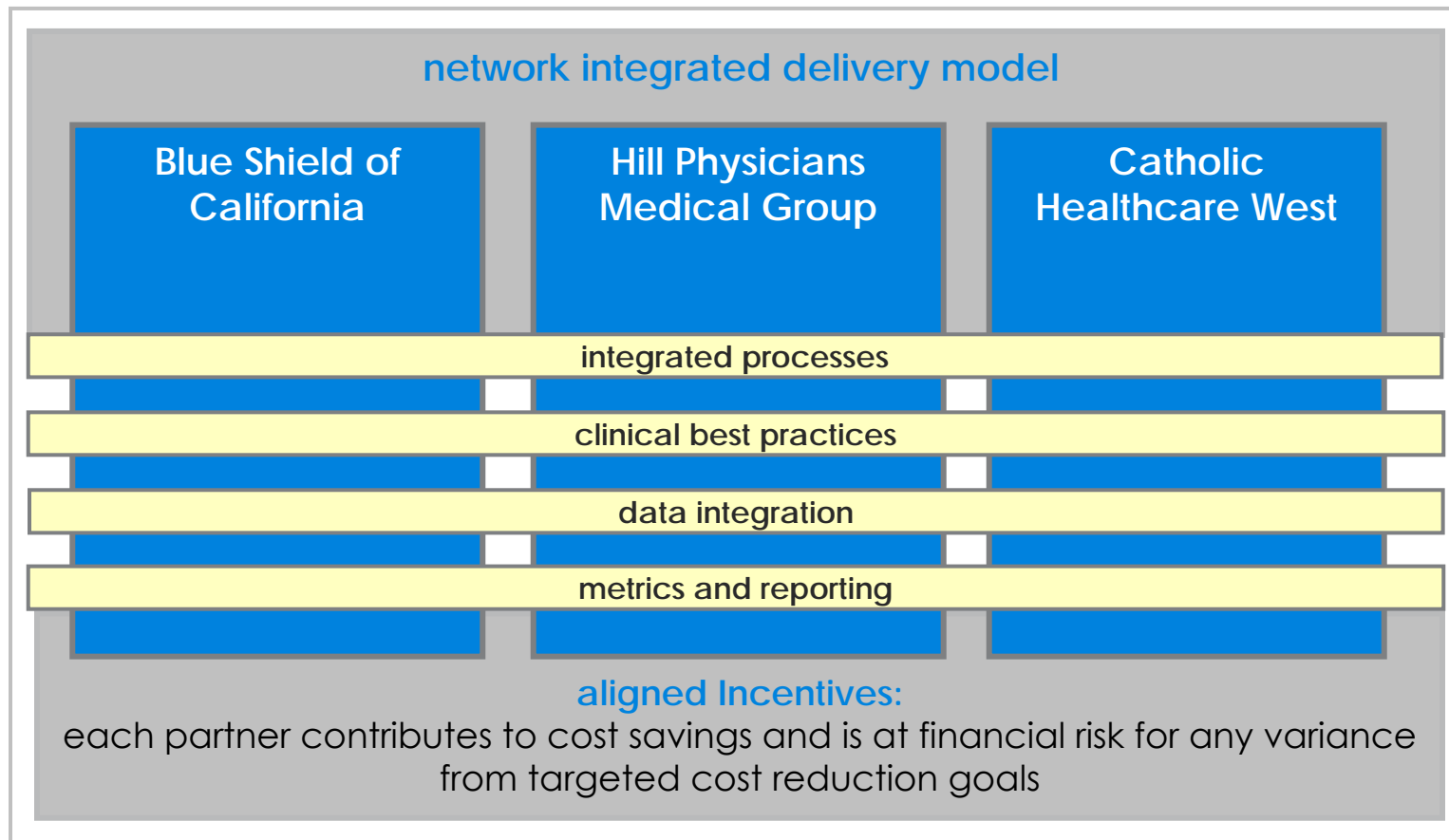


attract new public agencies to CalPERS and increase enrollment in NetValue

reduce cost of healthcare trend in aggregate for members in the pilot

## innovative pilot solution

integrated delivery model that provides coordinated care and services resulting in improved quality outcomes and reduced health care costs



# pilot strategies

## 1 – Clinical Management

reduce fragmentation and duplication for inpatient services through integration of care delivery, implementation of evidence-based best practices and streamlined administrative processes

anticipated high-level targeted outcomes:

- reduction in length of stay (LOS), admissions and readmissions
- better patient care delivered through the establishment and implementation of evidence-based best practices & improved streamlined administrative processes

## 2 – Population Management

stratify specific member risks to enhance, leverage and integrate disease/case management programs and improve member experience and self-management

anticipated high-level targeted outcomes:

- more CalPERS members being actively managed in a disease/case management program
- better coordination and hand-off between programs, where appropriate, to ensure a better member experience
- fewer members “falling through the cracks” and not being managed

## pilot strategies (cont'd)

### 3 – Physician Variation

develop provider pyramid of high and low performers for selected high cost procedures and diseases to remove variation in clinical care and resource utilization

anticipated high-level targeted outcomes:

- narrow the practice patterns of participating physicians around evidence-based, best practices
- address inappropriate and over or under utilization of key services/procedures

### 4 – Pharmacy

increase directed member outreach and generic drug utilization; establish drug purchasing and contracting strategies

anticipated high-level targeted outcomes:

- reduce drug costs by increasing percent of generic utilization
- reduce drug costs by establishing case rate for high-cost injectables

## pilot strategies (cont'd)

### 5 - IT Integration

facilitate the rapid and efficient communication of patient medical information; adoption and effective use of technologies and tools by all physicians caring for the target patient population

anticipated high-level targeted outcomes:

- strong technological framework to support clinical initiatives and replace manual processes with automated processes

## sample of key accomplishments

- strong commitment by all organizations to work on an improved care delivery system as evidenced by time and resource investment at all levels of the organizations
- implemented industry best practice to improve:
  - discharge planning process including hospital teach-back
  - follow-up visits within 8-10 days
  - welcome home calls
  - sharing of discharge plan with PCP
- expanded Health Information Exchange (HIE) including :
  - clinical results, hospital discharge summary and patient discharge summary to IPA EMR and/or physician portal
  - IPA continuity of care (CCD) data into the hospital EMR
  - re-admission discharge plan into hospital portal
  - automation of ER 'time of day' report



## sample of key accomplishments

- benchmarked acute care admissions/length of stay and implemented changes by service line including physician variability and clinical practices
- developed a high-risk patient tracking and stratification tool to ensure more members are being actively managed in a disease/case management (e.g., diabetes, COPD, asthma) program
- enhancements of the pre-surgical checklist for select procedures, designed to reduce length of stay, reduce readmissions, improve patient education
- piloted 'Lose to Win' contests promoting weight loss and healthy lifestyles at three CalPERS worksites leading to a combined participant weight loss of over 1,500 pounds

# preliminary outcomes

## preliminary care integration and quality outcomes\*

- 17% reduction in inpatient readmissions
- .52 day reduction in ALOS (average length of stay) for inpatient admissions
- 13.7% reduction in inpatient days per thousand
- 50% reduction in inpatient stays per thousand of 20 or more days

- we are on track to hit our 2010 COHC target for the 42,000 member pilot population
- October YTD overall trend for the pilot population is running more than 6% lower than the non-pilot population

overall inpatient utilization is  
far better than 2009

Key CY 2010 Inpatient Metrics, Target vs Metric Actual*		
Metric	Metric Actual*	CY 2009 Actual
Admits per 1000	<b>58.21</b>	59.0
Days per 1000	<b>205.45</b>	243.8
ALOS	<b>3.53</b>	4.13
Readmission rate	<b>4.6%</b>	5.5%

\*based on claims data incurred through October 2010 and paid through January 2011

## upcoming activities

- development of an integrated quality program to track key quality measures and outcomes in structured and consistent manner
- creation of a member satisfaction plan to better measure patient experience
- expanding on current interventions and identifying new opportunities for increased care integration and quality
- Blue Shield is committed to expand the ACO framework in additional markets throughout the state